

Message Text

UNCLASSIFIED

PAGE 01 PARIS 09003 281633Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 L-03 H-02 PA-02 PRS-01 INT-05 HEW-06
OES-06 ITC-01 /118 W
-----282017Z 010656 /42

R 281611Z MAR 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 1076

UNCLAS PARIS 09003

PASS TREASURY, FEDERAL RESERVE, COMMERCE, LABOR

E.O. 11652: N/A
TAGS: EALR, EFIN, EGEN, FR
SUBJ: ECONOMIC POLICY WILL BE CONTINUED BUT INVESTMENT
WILL RECEIVE A SMALL PUSH

1. SUMMARY: P.M. BARRE RECONFIRMED SUNDAY AT
LYON THAT THE GOF WOULD CONTINUE ITS CURRENT
ECONOMIC POLICY AND WOULD NOT RESORT TO GENERAL
EXPANSIONARY MEASURES. HOWEVER, HE DID MAKE AN
IMPORTANT CONCESSION TO THE CALLS FOR INCREASED
AID TO INVESTMENT BY ANNOUNCING AN ADDITIONAL
FF 4 BILLION IN MEDIUM AND LONG-TERM FINANCING ON
ADVANTAGEOUS TERMS BY THE CREDIT NATIONAL. END SUMMARY.

2. THIS FF 4 BILLION, OF WHICH FF 2 BILLION WILL
BE ALLOTTED TO SMALL AND MEDIUM-SIZED FIRMS AND
FF 2 BILLION TO LARGE FIRMS, WILL BE IN ADDITION
TO FF 7.5 BILLION IN INVESTMENT FINANCING ALREADY
ANNOUNCED WHICH CONSISTS OF FF 3.5 BILLION TO SMALL
AND MEDIUM-SIZED FIRMS, FF 3 BILLION TO EXPORT FIRMS,
AND FF L BILLION FOR ENERGY CONSERVATION INVESTMENTS.
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARIS 09003 281633Z

PRIORITY WILL BE GIVEN TO FIRMS INVESTING IN THOSE
REGIONS WHERE THE UNEMPLOYMENT SITUATION IS
PARTICULARLY ACUTE. IN ORDER THAT THESE CREDITS
ACHIEVE A RAPID IMPACT FIRMS WILL HAVE TO PRESENT
THEIR INVESTMENT PROGRAMS BY JUNE 30, 1977, AND
THESE PROGRAMS WILL HAVE TO BE PUT INTO EFFECT BY
SEPTEMBER 30, 1977.

3. OTHER IMPORTANT POINTS OF THE BARRE SPEECH WERE:

(A) GOVERNMENT AID TO CERTAIN SECTORS. IN ADDITION TO THE SPECIAL SECTORIAL PROGRAM TO AID THE STEEL INDUSTRY, THE GOF WILL UNDERTAKE A SIMILAR EFFORT FOR THE SHIP CONSTRUCTION, AERONAUTICS, FERTILIZER AND PAPER INDUSTRIES. THERE HAS BEEN NO SPECIFICATION AS TO THE AMOUNT AND FORM THIS AID WILL TAKE.

(B) MAINTENANCE OF PURCHASING POWER. THE WAGE POLICY OUTLINED LAST FALL -- TEMPORARY STABILIZATION OF PURCHASING POWER AND A SLIGHT IMPROVEMENT AT THE END OF THE YEAR IF THE BARRE PLAN SUCCEEDS -- WILL NOT BE MODIFIED. EXCEPTIONS WILL BE MADE ONLY FOR MINIMUM WAGE EARNERS AND THOSE RECEIVING FAMILY ALLOCATIONS WHICH WILL BE HIGHER THAN IN THE PAST.

(C) UNEMPLOYMENT. THERE DOES NOT EXIST ANY MAGICAL SOLUTION FOR UNEMPLOYMENT, BUT THE GOF HAS TAKEN STEPS TO REMEDY THE PROBLEM THROUGH AIDS TO STIMULATE INVESTMENT, EXPORTS, ETC. FURTHER STEPS MAY HAVE TO BE TAKEN TO IMPROVE THE EMPLOYMENT SITUATION OF YOUTH.

(D) SOCIAL SECURITY. THE PROGRAM TO CORRECT THE SOCIAL SECURITY SYSTEM, WHICH WILL BE ANNOUNCED WITHIN A FEW WEEKS, WILL AIM PARTICULARLY AT DECREASING THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 PARIS 09003 281633Z

EXPENDITURE FOR HOSPITALIZATION. THE BUDGET FOR THE SOCIAL SECURITY SYSTEM IS EXPECTED TO BE IN EQUILIBRIUM FOR L977.

(E) PUBLIC TARIFFS. THE INCREASE IN PUBLIC TARIFFS ON APRIL 1 WILL BE THE FULL 6.5 PERCENT PERMITTED THIS YEAR.

4. COMMENT: SINCE THE ADDITIONAL AID TO INVESTMENT IS THROUGH THE CREDIT NATIONAL, A LARGE PART OF THE PROGRAM PROBABLY WILL BE FINANCED BY THE TREASURY. THE SPECIAL SECTORIAL PROGRAMS MAY FURTHER INCREASE TREASURY FINANCING REQUIREMENTS IN 1977 OVER AND ABOVE THE 10-BILLION-FRANC DEFICIT ALREADY ENVISIONED. END COMMENT.
GAMMON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PARIS09003
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770106-0429
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770315/aaaaanba.tel
Line Count: 113
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 556aa1b0-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 06-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2976770
Secure: OPEN
Status: NATIVE
Subject: ECONOMIC POLICY WILL BE CONTINUED BUT INVESTMENT WILL RECEIVE A SMALL PUSH
TAGS: EALR, EFIN, EGEN, FR, (BARRE, RAYMOND)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/556aa1b0-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009